



Strategies for encouraging CSR in SMEs

A recent Spanish study has examined the implications of corporate social responsibility (CSR) strategies in small and medium enterprises (SMEs) related to sustainable development, as well as the role public administrations play in this process. The findings offer ideas that could be included in government policies aimed at promoting social responsibilities and sustainability, especially for SMEs.

The **type of responsibilities** that businesses should have in sustainable development is continually being discussed. CSR, the integration of social and environmental concerns in business operations, is considered to be one way for businesses to contribute to sustainability. Although CSR has been mainly practiced by large businesses, there is ongoing debate surrounding the need for SMEs to implement CSR strategies. The EU has emphasised the importance of CSR among SMEs for growth, job creation and sustainable development in Europe, and stresses the need to adopt a specific approach for further encouragement¹.

In this study, the researchers conducted a survey with representatives from 30 organisations in the region of Valencia in Spain to examine how policy makers could encourage CSR in SMEs. Individuals involved in CSR were selected from all three provinces of the region, and represented businesses (both SMEs and large companies), civil society and trade unions. The businesses included both rural and urban companies from various sectors.

The results revealed that CSR was a low level but promising concept in the region, for both companies and government initiatives. There was little CSR in the region and, accordingly, a low level of sustainability-related culture. However, the regional government could potentially be an engine for changing the business culture by promoting CSR through legislation and by encouraging stakeholder dialogue, showing public support and setting the example.

Supporting previous research, four central policies that the administration could use to boost CSR were identified: 1.) CSR and sustainability training, 2.) awareness-raising among companies and society in general, 3.) encouraging dialogue among stakeholders, and 4.) providing information and public acknowledgment of good business practices. The policies related to training and awareness were seen by participants as the most relevant for SMEs, whereas stakeholder dialogue and public information and acknowledgment of good business practices were seen as more relevant for large companies.

Numerous initiatives strive to address the problems facing SMEs in the CSR agenda. However, SMEs often consider the economic, social, and environmental impacts of their activities, even if they do not explicitly use CSR concepts in their official strategies. Consequently, the budding stage of CSR in SMEs has increased the importance of smaller businesses in CSR-related government initiatives. In the European context, many countries rely on government agencies to encourage CSR, regardless of business size and/ or area of activity. Although such programmes do not always explicitly mention SMEs as their direct beneficiary, the importance of this type of business in Europe means that the majority of these initiatives are applicable to smaller companies.

1. See: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52006DC0136:EN:NOT>

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